Steven L. Beshear Governor

Robert D. Vance, Secretary Environmental and Public Protection Cabinet

Timothy J. LeDonne Commissioner Department of Public Protection



Commonwealth of Kentucky

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Mark David Goss Chairman

> John W. Clay Vice Chairman

Caroline Pitt Clark Commissioner

January 17, 2008

Representative Bill Farmer State Capitol Annex Frankfort, KY 40601

Dear Representative Farmer:

Thank you for your letter regarding the Kentucky Public Service Commission's case number 2007-00134, the application by Kentucky-American Water Co. for a certificate of public convenience and necessity for the construction of a water treatment plant on the Kentucky River in Owen County and a pipeline from the plant to Fayette County.

Because this matter is currently before the Kentucky Public Service Commission, I cannot discuss the substance of the case.

I can assure you that the Kentucky Public Service Commission believes that the source of water supply for Lexington and surrounding areas is a matter of utmost importance requiring an expeditious resolution. As you well know, it is also a topic of considerable complexity and intense public interest.

While the Kentucky Public Service Commission is moving steadily toward a decision in this case, we also are making a thorough and exhaustive examination of all of the issues and evidence. Our top priority is to make the best decision for the ratepayers who will be served by - and who ultimately will pay for - any new facilities.

If you wish to monitor the progress of the case, the case file and all PSC orders are available on our Web site, psc.ky.gov. If you need assistance locating the documents, please feel free to contact our Public Information Officer, Andrew Melnykovych, at 564-3940, x208. He will be happy to help you.



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Your letter will be placed into the record of this case. Thank you again for your interest in this matter.

Sincerely

Mark David Goss Chairman

